

Executive Registry

77-493/2

NIO 1124-77

19 May 1977

MEMORANDUM FOR: Director of Central Intelligence

VIA : Deputy to the DCI for National Intelligence

FROM :
Executive Officer, National Intelligence Staff

SUBJECT : Response to Frank Barnett Letter

1. Action Required: Your signature.

2. The drafting of the response to Mr. Barnett involved two NIOs and got a low priority, with the result that we are tardy in getting this response to you for your signature.

3. The attached response, which was drafted by defends our methodologies and analytical techniques, while at the same time it recognizes that they, too, can be further improved.

4. A critique of the W. T. Lee pamphlet is Tab.

Attachment
SR M 77-10066 (5 May 77)

This document may be
downgraded to **UNCLASSIFIED**
when enclosure is detached.

CONFIDENTIAL

MEMORANDUM FOR: The Director

SUBJECT : Response to Frank Barnett Letter

Distribution:

Original - Addressee w/att

1 - DDCI w/att

1 - DDI w/att

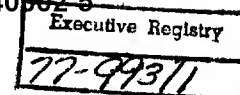
1 - D/OSR wo/att

1 - NIO/E w/att

1 - ER wo/att (ER 77-993)

1 - RI wo/att

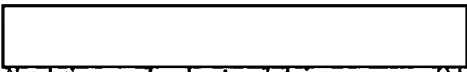
CONFIDENTIAL



NIO #1124-77
11 May 1977

MEMORANDUM FOR: Director of Central Intelligence

VIA : Deputy to the DCI for National Intelligence

FROM : 
National Intelligence Officer for Economics

SUBJECT : Response to Frank Barnett letter


1. Action Required: Your signature.
2. Somehow this correspondence got lost "on the way to the Forum". It hit my desk on 6 May. Attached is my proposed reply.
3. Barnett's letter seems deliberately provocative, as indicated by his rhetorical question in the first paragraph. I felt that, while we have misgivings of our own about the concepts and analytic techniques involved, the letter deserved a fairly forceful answer.
4. A critique of the W. T. Lee pamphlet is attached at Tab.

Attachment:

SR M 77-10066 (5 May 1977) CONFIDENTIAL

Distribution:

- Orig - Addressee w/att.
- 1 - DDCI w/att.
 - 1 - DDI w/att.
 - 1 - D/OSR w/o att.
 - 1 - NIO/E w/att.
 - 1 - ER w/o att. (ER 77-993)
 - 1 - NIO/RI w/o att.

O/DCI/NIO/ 

Downgraded to UNCLASSIFIED when
attachment removed

ILLEGIB

Approved For Release 2004/02/19 : CIA-RDP80M00165A001000340002-5

Approved For Release 2004/02/19 : CIA-RDP80M00165A001000340002-5

ES,

Approved For Release 2004/02/19 : CIA-RDP80M00165A001000340002-5

Per our records the orig letter fm Mr. Barnett
was sent to NIO on 9 Apr 77 with a suspense date of
16 Apr.

ER/Ed

Approved For Release 2004/02/19 : CIA-RDP80M00165A001000340002-5

EXECUTIVE SECRETARIAT

Routing Slip

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	D/DCI/IC				
4	DDS&T				
5	DDI				
6	DDA				
7	DDO				
8	D/DCI/NI	✓			
9	GC				
10	LC				
11	IG				
12	Compt				
13	D/Pers				
14	D/S				
15	DTR				
16	Asst/DCI				
17	AO/DCI				
18	C/IPS				
19	DCI/SS				
20	D/EEO				
21					
22					
SUSPENSE		<div style="border: 1px solid black; border-radius: 50%; padding: 10px; display: inline-block;"> <i>16 April</i> Date </div>			

Remarks:

*For review + comment to
DCI*

Executive Secretary

9 April
Date

3637 (7-76)

N-20

STAT

NATIONAL STRATEGY INFORMATION CENTER, INC.

Approved For Release 2004/02/19 : CIA-RDP80M00165A001000340002-5

111 EAST 58TH STREET
NEW YORK, N. Y. 10022

AREA CODE 212 838-2912

Executive Registry

27-993

25 March 1977

ICEAS

FRANK R. BARNETT*
President
FRANK N. TRAGER
Director of Studies
Professor of International Affairs
New York University
BERT G. BURKE*
Secretary, Treasurer
and General Counsel
Cragman and Burke
JULIUS FEFER*
International Vice President
President
Miller and Simons
JIN G. MCKAY, JR.*
Vice President
Bradford, Williams,
McKay, Kimbrell,
Lammann and Jennings
ROBERT E. NICOLOSI
Assistant Secretary and
Assistant Treasurer

SECTORS

HAROLD C. HAM
Attorney at Law
N. HAROLD K. JOHNSON, USA (Ret.)
Vice Chairman of the Board
General Bankshares, Inc.
ERIK L. LEIBMAN
Birey and Austin
Chairman, Aide at Large to the
Secretary of the Army
DR. WILLIAM C. MOTT, USN (Ret.)
Executive Vice President
Independent Telephone Association
L. JOHN C. NEFF, USAF (Ret.)
Former Chief of Staff
The Infantry Division, USAF
BERT H. PARSLEY
Rosen, Rubin, Rice,
Rosen and Knapp
GENERAL RICHARD A. YUDKIN, USAF (Ret.)
Vice President, Corporate Affairs
Overseas Corning Fiberglass Corporation

VISORY COUNCIL

PL. R. BENDETSEN
Chairman, Executive Committee
Champion International
TENNANT BRYAN
Chairman of the Board
Media General, Inc.
SEPH COORS
Executive Vice President
Adolph Coors Company
DR. HENRY H. FOWLER
Goldman, Sachs & Co.
JOHN W. HANES, JR.
Wertheim & Co.
CLAYD MUMFORD
President
Munford, Inc.
DR. ADOLPH W. SCHMIDT
Former Ambassador to Canada
FREDERICK SEITZ
President
Rockefeller University
DR. FRANK SHAKESPEARE
President
RKO General, Inc.
JAMES G. SHIELDS, JR.
Executive Vice President
Coca-Cola National Corp.
JOHN A. SUTRO
Pillsbury, Madison & Sutro
MELVIN WINOKUR
Chairman of the Board
Tool Parts and Service Company

WASHINGTON ASSOCIATE

ROSE GILSON
Director
International Labor Program
George Washington University
Directors

Admiral Stansfield Turner
Director
Central Intelligence Agency
Washington, DC.

Dear Stan:

It is now clear that Soviet military spending has been twice as large as it was thought to be by most U.S. government agencies. How is it possible that intelligence estimates were understated by a factor of 100 percent?

The answers are offered in the enclosed pamphlet by a brilliant analyst, W.T. Lee. (Mr. Lee's piece will appear later as a Chapter in our forthcoming book on the comparative defense budgets of the superpowers.)

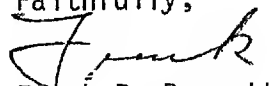
As former Undersecretary of State Eugene Rostow points out in his Foreword:

"...the Soviet Union is embarked upon a program of indefinite political expansion, based on military forces which are growing more rapidly than our own... intended to achieve visible and complete superiority in every category... Yet the intelligence community has steadfastly resisted what was obvious to nearly everybody else."

Mr. Lee's analysis of why the intelligence estimates went wrong has a critical bearing on the current debate on U.S. defense needs and Soviet capabilities.

With best regards, I am

Faithfully,


Frank R. Barnett

Enc. (1)

AGENDA

UNDERSTANDING THE SOVIET MILITARY THREAT

How CIA Estimates
Went Astray

With a Foreword
by Eugene V. Rostow

William T. Lee

National Strategy Information Center, Inc.
111 East 58th Street, New York, N.Y. 10022

UNCLASSIFIED	CONFIDENTIAL	SECRET
--------------	--------------	--------

EXECUTIVE SECRETARIAT

Routing Slip

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	D/DCI/IC				
4	DDS&T				
5	DDI		✓		
6	DDA				
7	DDO				
8	D/DCI/NI				
9	GC				
10	LC				
11	IG				
12	Compt				
13	D/Pers				
14	D/S				
15	DTR				
16	Asst/DCI				
17	AO/DCI				
18	C/IPS				
19	DCI/SS				
20	D/EE0				
21					
22					
		<p>SUSPENSE _____</p> <p>Date _____</p>			

Remarks:

3637 (7-76)

Executive Secretary
[Signature]
 Date _____

STAT

N-20

Executive Registry
77-7130

NATIONAL STRATEGY INFORMATION CENTER, INC.

111 EAST 58TH STREET
NEW YORK, N. Y. 10022
AREA CODE 212 838-2912

25 March 1977

Mr. Benjamin C. Evans, Jr.
Central Intelligence Agency
Washington, DC.

Dear Ben:

It is now clear that Soviet military spending has been twice as large as it was thought to be by most U.S. government agencies. How is it possible that intelligence estimates were understated by a factor of 100 percent?

The answers are offered in the enclosed pamphlet by a brilliant analyst, W.T. Lee. (Mr. Lee's piece will appear later as a Chapter in our forthcoming book on the comparative defense budgets of the superpowers.)

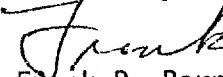
As former Undersecretary of State Eugene Rostow points out in his Foreword:

"...the Soviet Union is embarked upon a program of indefinite political expansion, based on military forces which are growing more rapidly than our own... intended to achieve visible and complete superiority in every category... Yet the intelligence community has steadfastly resisted what was obvious to nearly everybody else."

Mr. Lee's analysis of why the intelligence estimates went wrong has a critical bearing on the current debate on U.S. defense needs and Soviet capabilities.

With best regards, I am

Faithfully,


Frank R. Barnett

Enc. (1)

ICERS
NK R. BARNETT*
resident
FRANK N. TRAGER
rector of Studies
rofessor of International Affairs
w York University)
ERT G. BURKE*
cretary, Treasurer
d General Counsel
hupman and Burke)
L. E. FEFFER*
ernational Vice President
resident
ier and Simons)
N. G. MCKAY, JR.*
o President
dford, Williams,
Key, Kimbrell,
imann and Jennings)
OTHY E. NICOLosi
sistant Secretary and
sistant Treasurer

CTORS
IARD C. HAM
orney at Law
HAROLD K. JOHNSON, USA (Ret.)
e Chairman of the Board
ancial General Bankshares, Inc.
IRIS I. LEIBMAN
iley and Austin
ilian Aide at Large to the
cretary of the Army)
WILLIAM C. MOTT, USN (Ret.)
ecutive Vice President
Independent Telephone Association
JOHN C. NEFF, USAR (Ret.)
mer Chief of Staff
th Infantry Division, USAR
ERT H. PARSLEY
ier, Bimon, Rice,
uk and Knapp
GENERAL RICHARD A. YUDKIN, USAF (Ret.)
e President, Corporate Affairs
ens-Corning Fiberglass Corporation

ORY COUNCIL
R. BENDETSEN
erman, Executive Committee
mpson International
NNANT BRYAN
erman of the Board
Sa General, Inc.
H COORS
cutive Vice President
olph Coors Company
HENRY H. FOWLER
dman, Sachs & Co.
W. HANES, JR.
rtheim & Co.
RD MUNFORD
sident
nford, Inc.
ADOLPH W. SCHMIDT
er Ambassador to Canada
REDERICK SEITZ
sident
kefeller University
FRANK SHAKESPEARE
sident
O General, Inc.
S. G. SHIELDS, JR.
ecutive Vice President
cker National Corp.
N. A. SUTRO
isbury, Madison & Sutro
S. L. WINOKUR
aitmen of the Board
Tool Parts and Service Company

INGTON ASSOCIATE
oy Godson
ctor
ernational Labor Program
orgetown University
Directors



AGENDA

UNDERSTANDING THE SOVIET MILITARY THREAT

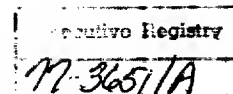
How CIA Estimates
Went Astray

With a Foreword
by Eugene V. Rostow

William T. Lee

National Strategy Information Center, Inc.
111 East 58th Street, New York, N.Y. 10022

11-20



7 MAR 1977

Dear Frank,

I very much appreciated your kind letter on the occasion of my appointment as Director of Central Intelligence.

I agree that the national defense is a pressing priority and I welcome the challenge that my new position will provide.

Again, your best wishes and congratulations were greatly appreciated.

Yours,

/s/ Stansfield Turner

STANSFIELD TURNER
Admiral, U.S. Navy

Mr. Frank R. Barnett
National Strategy Information Center, Inc.
111 East 58th Street
New York, New York 10022

DA/DCI [redacted]

Typed: 11 March 1977

Distribution:

Orig-Addressee

1-ER w/basics

1-DCI w/basics

1-Chrono w/basics

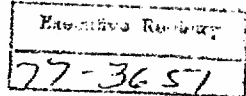
1-MB wo/basics

11-20
MAR 13 1 12 PM '77

RECEIVED 200012

EB

STAT



NATIONAL STRATEGY INFORMATION CENTER, INC.

111 EAST 58TH STREET
NEW YORK, N. Y. 10022

AREA CODE 212 838-2912

February 25, 1977

OFFICERS

FRANK R. BARNETT*
President
DR. FRANK N. TRAGER
Director of Studies
(Professor of International Affairs
New York University)
ROBERT G. BURKE*
Secretary, Treasurer
and General Counsel
(Chapman and Burke)
PAUL E. FEFFER*
International Vice President
(President
Feffer and Simons)
JOHN G. McKAY, JR.*
Vice President
(Bradford, Williams,
McKay, Kimbrell,
Hamann and Jennings)
DOROTHY E. NICOLosi
Assistant Secretary and
Assistant Treasurer

Admiral Stansfield Turner
Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Stan:

Those of us who believe that National Defense is our most pressing priority take substantial encouragement from your recent and much deserved advancement in responsibility for the country's security.

With sincerest congratulations and all best wishes, I am

Faithfully,

Frank R. Barnett

DIRECTORS

RICHARD C. HAM
Attorney at Law
GEN. HAROLD K. JOHNSON, USA (Ret.)
Vice Chairman of the Board
Financial General Bankshares, Inc.
MORRIS I. LEIBMAN
Sidley and Austin
(Civilian Aide at Large to the
Secretary of the Army)
RADM WILLIAM C. MOTT, USN (Ret.)
Executive Vice President
U.S. Independent Telephone Association
COL. JOHN C. NEFF, USAF (Ret.)
Former Chief of Staff
77th Infantry Division, USAF
ROBERT H. PARSLEY
Butler, Binion, Rice,
Cook and Knapp
MAJ. GENERAL RICHARD A. YUDKIN, USAF (Ret.)
Vice President, Corporate Affairs
Owens-Corning Fiberglas Corporation

ADVISORY COUNCIL

KARL R. BENDETSSEN
Chairman, Executive Committee
Champion International
D. TENNANT BRYAN
Chairman of the Board
Media General, Inc.
JOSEPH COORS
Executive Vice President
Adolph Coors Company
HON. HENRY H. FOWLER
Goldman, Sachs & Co.
JOHN W. HANES, JR.
Wertheim & Co.
DILLARD MUNFORD
President
Munford, Inc.
HON. ADOLPH W. SCHMIDT
former Ambassador to Canada
DR. FREDERICK SEITZ
President
Rockefeller University
HON. FRANK SHAKESPEARE
President
RKO General, Inc.
JAMES G. SHIELDS, JR.
Executive Vice President
Crocker National Corp.
JOHN A. SUTRO
Pillsbury, Madison & Sutro
JAMES L. WINOKUR
Chairman of the Board
Air Tool Parts and Service Company

WASHINGTON ASSOCIATE

Dr. Roy Godson
Director
International Labor Program
Georgetown University

*Also Directors

Routing Slip

Remarks:

STAT

3637 (7-76)

~~EXECUTIVE SECRETARY~~

Date _____

Rec'd 1 Mar

NATIONAL
STRATEGY INFORMATION CENTER INC.

OIL, DIVESTITURE AND NATIONAL SECURITY

M.A. Adelman • William J. Casey
Edward W. Erickson • Marshall I. Goldman
William A. Johnson • Klaus Knorr
Richard E. Messick
AND SELECTED CONGRESSIONAL TESTIMONY

PREFACE BY
Frank R. Barnett
EDITOR
Frank N. Trager

PUBLISHED BY
CRANE, RUSSAK & COMPANY, INC.
NEW YORK

NATIONAL STRATEGY INFORMATION CENTER, INC.

111 EAST 58TH STREET
NEW YORK, N. Y. 10022
AREA CODE 212 838-2912

Executive Registry

97-163

7 January 1977

Mr. Benjamin C. Evans, Jr.
Central Intelligence Agency
Washington, DC. 20505

Dear Ben:

In the post-Mao era, one of the crucial questions that bears directly on our own security is: "Can Russia avoid a 'two-front' strategy by repairing her quarrels with China?"

A noted expert on China, Dr. Harold Hinton, addresses that topic in the enclosed book.

He details the history of the Sino-Soviet dispute and offers alternate scenarios for the future. The Moscow-Peking struggle, of course, is placed in the context of the relations of the two Communist Powers to the United States and our vital interests.

With best regards, I am

Faithfully,

Frank

Frank R. Barnett

FRB:srt
encl.(1)

N-20

RECEIVED
JAN 10 1977

OFFICERS
FRANK R. BARNETT*
President
FRANK N. TRAGER
Director of Studies
(Professor of International Affairs
New York University)
ROBERT G. BURKE*
Secretary, Treasurer
and General Counsel
(Chapman and Burke)
AUL E. FEFFER*
International Vice President
(President
Feffer and Simons)
JOHN G. MCKAY, JR.*
Vice President
(Bradford, Williams,
McKay, Kimbrell,
Hamann and Jennings)
CROTHY E. NICOLOSI
Assistant Secretary and
Assistant Treasurer

DIRECTORS
RICHARD C. HAM
Attorney at Law
JOHN HAROLD K. JOHNSON, USA (Ret.)
Vice Chairman of the Board
Financial General Bankshares, Inc.
MORRIS I. LEIBMAN
S. Day and Austin
(Civilian Aide at Large to the
Secretary of the Army)
WILLIAM C. MOTT, USN (Ret.)
Executive Vice President
U.S. Independent Telephone Association
JOHN C. NEFF, USAR (Ret.)
Former Chief of Staff
77th Infantry Division, USAR
ROBERT H. PARSLEY
Butler, Binion, Pica,
Cook and Knapp
MAJ. GENERAL RICHARD A. YUDKIN, USAF (Ret.)
Vice President, Corporate Affairs
Owens-Corning Fiberglas Corporation

ADVISORY COUNCIL
CARL R. BENDETSSEN
Chairman, Executive Committee
Champion International
TENNANT BRYAN
Chairman of the Board
Media General, Inc.
JOSEPH COORS
Executive Vice President
Adolph Coors Company
HENRY H. FOWLER
Goldman, Sachs & Co.
JOHN W. HANES, JR.
Wertheim & Co.
MILLARD MUNFORD
President
Munford, Inc.
JOHN ADOLPH W. SCHMIDT
Former Ambassador to Canada
FREDERICK SEITZ
President
Rockefeller University
FRANK SHAKESPEARE
President
RKO General, Inc.
JAMES G. SHIELDS, JR.
Executive Vice President
Crocker National Corp.
JOHN A. SUTRO
Pillsbury, Madison & Sutro
JAMES L. WINOKUR
Chairman of the Board
Air Tool Parts and Service Company

WASHINGTON ASSOCIATE
Dr. Roy Godson
Director
International Labor Program
Georgetown University
*Also Directors

Next 1 Page(s) In Document Exempt